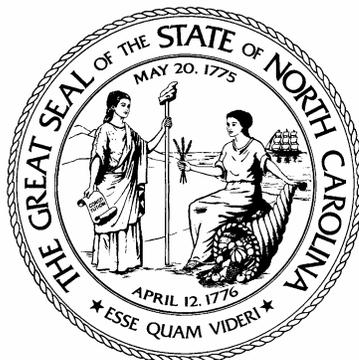


**COMMISSION CONTRACTS FOR ISSUANCE OF
MOTOR VEHICLE REGISTRATION PLATES AND CERTIFICATES**



**REPORT TO THE
2001 SESSION OF THE
2001 GENERAL ASSEMBLY
OF NORTH CAROLINA**

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PREFACE

The Commission to Study Commission Contracts for the Issuance of Motor Vehicle Registration Plates and Certificates was authorized by Section 25.5 of S.L. 2000-67. The Commission was cochaired by Senator David Hoyle and Representative Ronnie Sutton. The full membership of the Committee is listed in the Appendix of this report. A committee notebook containing the committee minutes and all information presented to the committee will be filed in the Legislative Library by the end of the 1999-2000 biennium.

COMMISSION PROCEEDINGS

December 11, 2001

The initial meeting of the Commission was held at 9:00 a.m. December 11, 2000 in Room 414 of the Legislative Office Building. The committee first heard a presentation from Carol Howard, Director of Vehicle Registration concerning the history, current procedures, and expected challenges facing commission contract agents across the State. The Commission next heard from Dan Johnson, Jr., representing the North Carolina Association of License Plate Agencies, who discussed the problems facing his organizations, and the need for changes to the compensation system they work under.

January 18, 2001

The second meeting of the Commission was held at 9:00 a.m. January 18, 2001 in Room 1425 of the Legislative Building. Commission members continued discussion of the rates paid to commission contract agents for their services. The Commission agreed to recommend to the General Assembly that study of contract agents be continued, and that an interim transaction rate increase be adopted pending completion of the Commission's work. Details of the Commission's recommendations follow in this report.

FINDINGS AND RECOMMENDATIONS

The Commission finds that commission contract agents provide a valuable service to the people of North Carolina. Recent technological, statutory, and economic changes have highlighted the importance of a thorough review of the way the State compensates these contractors. As a result, the Commission makes the following recommendations:

1. Reauthorization of Study of Commission Contract Agencies

The Commission recommends that the General Assembly reauthorize the study of commission contract agencies, to allow for additional consideration of compensation rates and other issues faced by these agencies.

2. Study to Develop New Contract Agent Compensation Schedule

The Commission recommends that the Division of Motor Vehicles of the Department of Transportation, in consultation and cooperation with the commission contract agents, conduct a thorough and updated productivity study of all transactions and other activity in contract agencies. The Division, in consultation and cooperation with the agents, shall utilize this data to develop a detailed proposal for compensating agents based on the tasks they undertake. The proposal shall include a mechanism to adjust the schedule periodically to account for inflation.

3. Interim Increase in Transaction Rate

The Commission finds that economic, statutory, and technological change are having a continuing and important impact on the operation of commission contract agencies. As it continues its study, the Commission plans to consider a more comprehensive

adjustment to the traditional transaction method used to compensate agents. In the interim however, the Commission recognizes the need to appropriately compensate agents for the service they are providing. Therefore, the Commission recommends that the General Assembly increase the transaction rate paid to agents by 5% to 8% per transaction, with 5% suggested as the minimum increase needed. Draft legislation to accomplish this proposal, by amendment to G.S. 20-63(h), is attached.

AUTHORIZING LEGISLATION

STUDY OF COMMISSION CONTRACTS FOR ISSUANCE OF MOTOR VEHICLE REGISTRATION PLATES AND CERTIFICATES

SECTION 25.5 OF S.L. 2000-67

"Section 25.5.(a)

The Commission to Study Commission Contracts for the Issuance of Motor Vehicle Registration Plates and Certificates is created.

The Commission shall consist of 11 members:

- (1) Four Senators appointed by the President Pro Tempore of the Senate and four Representatives appointed by the Speaker of the House of Representatives.
- (2) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint one person currently contracted with the Division of Motor Vehicles to issue registration plates and certificates.
- (3) The Commissioner of Motor Vehicles or the Commissioner's designee shall serve as a voting member of the Commission.

Section 25.5.(b) The President Pro Tempore of the Senate shall designate one Senator as cochair and the Speaker of the House of Representatives shall designate one Representative as cochair.

Section 25.5.(c) The Commission shall:

- (1) Review the history and policies that led to the enactment of G.S. 20-63(h) providing for contracts for the issuance of registration plates and certificates.
- (2) Study the current implementation and consequences of the provisions of G.S. 20-63(h).
- (3) Study how registration plates and certificates are issued in other states.
- (4) Study the implications and potential effects on the contract agents of the authority of the Division of Motor Vehicles to use electronic applications and collections authorized in G.S. 20-63(i).
- (5) Study any other factors it deems relevant related to the use of contract agents for the issuance of registration plates and certificates.
- (6) Make findings and recommendations on improving the services related to the issuance of registration plates and certificates to the citizens of North Carolina while reducing the costs to the State.

Section 25.5.(d) The Commission shall submit a final report of its findings and recommendations to the General Assembly on or before the first day of the 2001 Session of the General Assembly by filing the report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its final report, the Commission shall terminate.

Section 25.5.(e) The Commission, while in the discharge of official duties, may exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call of the cochairs. The Commission may meet in the State Legislative Building or the Legislative Office Building.

Section 25.5.(f) Legislative members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1. Nonlegislative members shall receive subsistence and travel expenses at the rates set forth in G.S. 138-5.

Section 25.5.(g) The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the commission or committee, upon the direction of the Legislative Services Commission. The expenses relating to clerical employees shall be borne by the Commission.

Section 25.5.(h) When a vacancy occurs in the membership of the Commission, the vacancy shall be filled by the same appointing officer who made the initial appointment.

Section 25.5.(i) All State departments and agencies and local governments and their subdivisions shall furnish the Commission with any information in their possession or available to them.

Section 25.5.(j) There is appropriated from the Highway Fund to the General Assembly the sum of twenty-five thousand dollars (\$25,000) for the 2000-2001 fiscal year for the expenses of the Commission.

Section 25.5.(k) This act becomes effective July 1, 2000."

**MEMBERSHIP OF STUDY COMMISSION ON
CONTRACTS FOR ISSUANCE OF MOTOR VEHICLE REGISTRATION PLATES AND
CERTIFICATION**

1999-2000

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GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

D

HOUSE DRH2004-RWz-2* (01/16)

Short Title: Commission Contract Agent Study. (Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED
AN ACT TO REAUTHORIZE THE STUDY OF COMMISSION CONTRACTS FOR
THE ISSUANCE OF MOTOR VEHICLE REGISTRATION PLATES AND
CERTIFICATES.

The General Assembly of North Carolina enacts:

SECTION 1. The Commission to Study Commission Contracts for the Issuance of Motor Vehicle Registration Plates and Certificates is created. The Commission shall consist of 11 members:

- (1) Four Senators appointed by the President Pro Tempore of the Senate and four Representatives appointed by the Speaker of the House of Representatives.
- (2) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint one person currently contracted with the Division of Motor Vehicles to issue registration plates and certificates.
- (3) The Commissioner of Motor Vehicles or the Commissioner's designee shall serve as a voting member of the Commission.

SECTION 2. The President Pro Tempore of the Senate shall designate one Senator as cochair and the Speaker of the House of Representatives shall designate one Representative as cochair.

SECTION 3. The Commission shall:

- (1) Review the history and policies that led to the enactment of G.S. 20-63(h) providing for contracts for the issuance of registration plates and certificates.

- (2) Study the current implementation and consequences of the provisions of G.S. 20-63(h).
- (3) Study how registration plates and certificates are issued in other states.
- (4) Study the implications and potential effects on the contract agents of the authority of the Division of Motor Vehicles to use electronic applications and collections authorized in G.S. 20-63(i).
- (5) Study any other factors it deems relevant related to the use of contract agents for the issuance of registration plates and certificates.
- (6) Make findings and recommendations on improving the services related to the issuance of registration plates and certificates to the citizens of North Carolina while reducing the costs to the State.

SECTION 4. The Commission shall submit a final report of its findings and recommendations on or before the first day to the 2002 Session of the General Assembly by filing a report with the President Pro Tempore of the Senate and the Speaker of the House of Representatives. Upon filing its final report, the Commission shall terminate.

SECTION 5. The Commission, while in the discharge of its official duties, may exercise all the powers provided for under the provisions of G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet at any time upon the call of the cochairs. The Commission may meet in the State Legislative Building or the Legislative Office Building.

SECTION 6. Legislative members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1. Nonlegislative members shall receive subsistence and travel expenses at the rates set forth in G.S.138-5.

SECTION 7. The Commission may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02. The Legislative Services Commission, through the Legislative Administrative Officer, shall assign professional staff to assist in the work of the Commission. The House of Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of the Legislative Services Commission. The expenses relating to clerical employees shall be borne by the Commission.

SECTION 8. When a vacancy occurs in the membership of the Commission, the vacancy shall be filled by the same appointing officer who made the initial appointment.

SECTION 9. All State departments and agencies and local governments and their subdivisions shall furnish upon request to the Commission any information in their possession or available to them.

SECTION 10. The Division of Motor Vehicles of the Department of Transportation, in consultation and cooperation with the commission contract agents, shall conduct a comprehensive and updated productivity study of all transactions and other activity in contract agencies. The Division, in consultation and cooperation with

the agents, shall utilize this data to develop a detailed proposal for compensating agents based on the tasks they undertake. The proposal shall include a mechanism to adjust the schedule periodically to account for inflation. The Division shall submit its proposal to the Commission on or before October 1, 2001.

SECTION 11. There is appropriated from the Highway Fund to the General Assembly the sum of twenty-five thousand dollars (\$25,000) for the 2001-2002 fiscal year for the expenses of the Commission.

SECTION 12. This act is effective when it becomes law.

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

D

HOUSE DRH1005-RWz-3* (01/18)

Short Title: Contract Agent Rate.

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED
AN ACT TO IMPLEMENT THE RECOMMENDATION OF THE COMMISSION TO
STUDY COMMISSION CONTRACTS FOR ISSUANCE OF MOTOR VEHICLE
REGISTRATION PLATES AND CERTIFICATES TO INCREASE THE RATE
PAID PER TRANSACTION TO COMMISSION CONTRACT AGENTS FOR
THE ISSUANCE OF PLATES AND CERTIFICATES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 20-63(h) reads as rewritten:

"(h) Commission Contracts for Issuance of Plates and Certificates. – All registration plates, registration certificates and certificates of title issued by the Division, outside of those issued from the Raleigh offices of the said Division and those issued and handled through the United States mail, shall be issued insofar as practicable and possible through commission contracts entered into by the Division for the issuance of such plates and certificates in localities throughout North Carolina with persons, firms, corporations or governmental subdivisions of the State of North Carolina and the Division shall make a reasonable effort in every locality, except as hereinbefore noted, to enter into a commission contract for the issuance of such plates and certificates and a record of these efforts shall be maintained in the Division. In the event the Division is unsuccessful in making commission contracts as hereinbefore set out it shall then issue said plates and certificates through the regular employees of the Division. Whenever registration plates, registration certificates and certificates of title are issued by the Division through commission contract arrangements, the Division shall provide proper supervision of such distribution. Commission contracts entered under this subsection shall provide for the payment of compensation for all transactions as set forth below.

Nothing contained in this subsection will allow or permit the operation of fewer outlets in any county in this State than are now being operated.

A transaction is any of the following activities:

- (1) Issuance of a registration plate, a registration card, a registration renewal sticker, or a certificate of title.
- (2) Issuance of a handicapped placard or handicapped identification card.
- (3) Acceptance of an application for a personalized registration plate.
- (4) Acceptance of a surrendered registration plate, registration card, or registration renewal sticker, or acceptance of an affidavit stating why a person cannot surrender a registration plate, registration card, or registration renewal sticker.
- (5) Cancellation of a title because the vehicle has been junked.
- (6) Acceptance of an application for, or issuance of, a refund for a fee or a tax, other than the highway use tax.
- (7) Receipt of the civil penalty imposed by G.S. 20-309 for a lapse in financial responsibility or receipt of the restoration fee imposed by that statute.
- (8) Acceptance of a notice of failure to maintain financial responsibility for a motor vehicle.
- (8a) Collection of civil penalties imposed for violations of G.S. 20-183.8A.
- (8b) Sale of one or more inspection stickers in a single transaction to a licensed inspection station.
- (9) Collection of the highway use tax.
- (10) Acceptance of a temporary lien filing.

Performance at the same time of any combination of the items that are listed within each subdivision or are listed within subdivisions (1) through (8b) of this section is a single transaction for which [NOTE: the Commission recommends \$1.42 to \$1.46] compensation shall be paid. Performance of the item listed in subdivision (9) of this subsection in combination with any other items listed in this subsection is a separate transaction for which a [NOTE: the Commission recommends \$1.26 to \$1.30] compensation shall be paid."

SECTION 2. This act becomes effective July 1, 2001.